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06-26-06

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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Southern California Edison Company (U 338-E) for Authority to Recover Capital Additions to its Fossil Generating Facilities Made Between January 1, 1997 and March 31, 1998 or the Date of Divestiture for Those Generating Facilities Divested by July 8, 1998 and Related Substantive and Procedural Relief.

Application 99-04-024  
(Filed April 19, 1999)

**ADMINISTRATIVE LAW JUDGE'S RULING ADDRESSING LIMITED  
REHEARING OF DECISION 04-02-025**

**Summary**

This ruling requests the serving of prepared testimony by Southern California Edison Company (SCE) by July 24, 2006, regarding certain capital additions identified by the Commission in Decision (D.) 06-06-038 for the limited rehearing of D.04-02-025. This ruling also provides for the filing of opening and reply comments regarding SCE's prepared testimony in the event that evidentiary hearings are not required. Opening and reply briefs will be scheduled through an additional ruling following the receipt of reply comments.

Alternatively, if evidentiary hearings are necessary, a prehearing conference (PHC) will be held to determine issues and schedule the evidentiary hearings.

**Background**

On February 19, 2004, the Commission issued D.04-02-025 which approved certain capital additions costs. On March 22, 2004, The Utility Reform Network (TURN) filed an application for rehearing of D.04-02-025, and SCE filed a

response to TURN on April 6, 2004. On June 15, 2006, the Commission adopted D.06-06-038 which grants a limited rehearing of D.04-02-025 as to certain capital additions projects. D.06-06-025 determined that limited rehearing should be granted in order to provide further factual development addressing whether six capital additions projects<sup>1</sup> were reasonable and “necessary to maintain” the facilities within the meaning of Pub. Util. Code § 367. D.06-06-038 also determined that limited rehearing should be granted to clarify whether two other projects<sup>2</sup> were approved for cost recovery and if so whether these projects were reasonable and eligible for cost recovery by SCE.

D.06-06-038 also determined that the burden of proof SCE must meet for these capital additions is an additional issue. Specifically, the Commission asked what burden of proof standard should be applied to SCE’s capital additions.

## **Discussion**

For purposes of the limited rehearing, SCE shall serve prepared testimony on the capital additions projects discussed above by July 24, 2006. In order to expedite the limited rehearing, it is proposed that the limited rehearing will be conducted through the filing of opening and reply comments to the proposed testimony. Parties may serve opening comments regarding the prepared

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<sup>1</sup> Ormond Beach (Work Orders (WO) 1727-0554 and 1727-0555); Etiwanda Control Room Integration (WO 1316-7711); Mandalay Economizer (WO 1712-05035); Mandalay Pipeline (WO 3275-0323); El Segundo Controls (WO 1516-0833) and Coolwater Spare Parts (WO 9000-1030 and 3393-0044).

<sup>2</sup> Alamitos Units 3 and 4 (WO 1413-0402) and Coolwater Units 3 and 4 Transition (WO 3390-0440).

testimony by August 14, 2006, and parties may serve reply comments by August 28, 2006.

If any party believes that an evidentiary hearing is required or necessary on SCE's prepared testimony, it must: (1) request an evidentiary hearing in its opening comments; (2) identify the material disputed issues of fact that require an evidentiary hearing; (3) identify the nature of the testimony it would introduce at an evidentiary hearing; and (4) explain why a hearing is required, with citation to any relevant legal authority. Following any requests for evidentiary hearings, a PHC will be held to further determine scheduling and matters for hearing.

The issue regarding the burden of proof standard will be addressed through legal briefing and not through comments or in testimony.

Following either the serving of comments and reply comments, or evidentiary hearings, an Administrative Law Judge's ruling will determine a schedule for the filing of briefs and reply briefs including the burden of proof standard.

Therefore, **IT IS RULED** that:

1. SCE shall serve prepared testimony on the capital additions discussed above by July 24, 2006.
2. Parties may serve comments on SCE's prepared testimony by August 14, 2006.
3. Parties may serve reply comments by August 28, 2006.
4. Requests by parties for evidentiary hearings shall be as discussed above.

5. Briefs addressing the burden of proof standard and other matters will be scheduled by later ALJ ruling.

Dated June 26, 2006, at San Francisco, California.

/s/ BRUCE DeBERRY  
Bruce DeBerry  
Administrative Law Judge

**INFORMATION REGARDING SERVICE**

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Dated June 26, 2006, at San Francisco, California.

/s/ ELIZABETH LEWIS

Elizabeth Lewis

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